

Value Based Fees Series

Vicente Wolf



Gail: We are delighted that Vincent Wolf is going to join us. It happened last minute and we're excited that he would take the time to speak with us today and answer a lot of interesting questions.

Welcome. I'd like to give a little bit of an introduction about you. I hope I won't embarrass you too much.

Vicente: I could put the phone away from my ear.

Gail: I am going to share a little bit of your background and maybe you'll want to fill in a few gaps as well. You've been in the design industry for over 35 years. In Architectural Digest you're in there as the 80th of 100 and also one of the top 100 designers by Metropolitan Home.

House Beautiful has named you one of the 10 most influential designers in the U.S. and of course, Interior Designs Magazine inducted you into the Hall of Fame. There are so many other awards.

This year you were at the Las Vegas Market in September and Traditional Home honored you as the Design Icon of 2009. Wow.

Vicente: Are you finished so I can put it back on my ear again?

Gail: I'm just delighted that you have two excellent books out, *Learning to See* and also *Crossing Boundaries, A Global Vision of Design*.

Vicente: We're working toward next year for the third book so that's exciting. It's funny because when you get all of these awards you still keep waiting to see when are they going to discover that you're a fake? You keep fooling them but the more you fool them the closer it gets to being discovered that's why I don't like to hear it because it makes me very nervous.

Gail: Does it really? After 35 years I would think you'd be so delighted to have this kind of accolade.

Vicente: Of course I am, but it's like, that is not reality. Reality is being in the office, dealing with the problems and each job you start from point one.

Yes, you have all of this experience, but when you get a job, you start like a novice because you don't know what you're going to do and how you're going to do it. You have the expertise in how to carry through with it, but it's like you're planting the seed from the beginning again.

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The awards are wonderful. If I didn't get them, I would feel cheated. On the other hand, that's not the reality. It has to do with the past and I'm much more interested in what's coming up ahead.

Gail: I think that's a great perspective. You're right, every single client is different and you must give them the full attention, time and energy they deserve because they are new for you in some cases.

➤ **Why don't you start with telling us about how you got started in design 35 years ago?**

Vicente: It's more like 37 now. I come from Cuba. I had no formal education, never graduated high school. I'm dyslexic, can't spell, lousy memory, so with all of these disadvantages I wanted to be in a creative business or industry.

I tried acting but I couldn't remember the lines. I tried fashion but you need all those degrees in all of these schools. Acting, modeling, photography, merchandising and I got fired out of all of them.

I met somebody who was in the interior design business and his name was Bob Patino. He opened this window for me of something that was in the back of my mind. In Cuba my parents were in construction so I had always seen plans and was not intimidated by the architecture or construction. It became very quick.

I apprenticed for a short time. I worked in a showroom sweeping the floors, pulling samples and selling. From there I got fired and then I started to freelance and that's why I could only have my own business because I can't fire myself.

From there I started to freelance with Angelo Donghia, Bert Wayne, very big designers at the time. I worked for somebody full time for nine or ten months and then I started to work with Bob Patino who had gone on his own from working in a showroom. From there the firm became Patino Wolf.

It's all about timing and being in the right place at the right time. When we both started, he and I, in the late '70s the current day of sense of interior design was starting up. There was the old MacMillon's, the Hadley's and the Baldwins that were working for the very high and very wealthy people, but the upper middle class was never interested and it was that period when they started to want to live in a different way.

Designers like Joe D'Urso or Bray Shaible, we all started to approach interior design from an architectural point of view. It started from there.

Gail: It's interesting that you share some of the challenges that you had. I think some of the most gifted and brilliant, of which obviously you're one, don't necessarily

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have formal training. It's just an instinct and a talent for it. It's wonderful that you've been able to develop so well in your business and it's exciting to hear.

Vicente: I think different people reach their goals in a different way. When you're dyslectic you speak a different language and you learn how to function in normal society with your short comings. You find a creative, visual form to express yourself.

To me, it was an event, being dyslectic because I developed in other parts. If you don't have legs you have to build up your arms to push yourself and I think I developed the creative part.

Gail: In some ways you're saying your challenges were actually your advantages as well. That is a great perspective.

Tell me a little about your business now. I know you've done quite a few commercial spaces.

➤ **Is the majority of your business residential or commercial?**

Vicente: We have four parts to the business. One is the residential which is obviously the one that's been around the longest. It's the one that motivates the rest of the business publicity wise. The other is the commercial. Let's say that residential is 60%, commercial is 22%.

We've done hotels, country clubs, a lot of restaurants, whether in Las Vegas or in different parts of the U.S. It's great because you can bring the understanding of how people like to feel and what comforts people residentially and express it in a commercial way.

We also do product design. We're doing a collection right now for Ann Sachs. We've designed collections for Henredon and Bachra (**inaudible** 9:59).

The last part is that we have a showroom that sells the products that we design and I travel a great deal. Objects that I have found all around the world from New Guinea, London and Paris, all the things that I like. Each part of the business fills the kitty, but the biggest producer is residential.

Gail: **Could you share with us how you started getting clients?** For everyone it's a different story and we'd like to hear how you went about promoting yourself.

Vicente: I have no memory so it's hard to remember. It was luck. The first job I ever did got published in House Beautiful. She had a friend and I did the friend. It was a little word of mouth and when I started to work with Bob, he had clients so they became our clients.

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I would say that the business has been founded on editorial exposure. Some designers get it from word of mouth, I get it from editorial. Part of it is because of the point of view that the business has; not everybody likes that point of view or are not comfortable with that point of view. If you do traditional work it's a much more relatable thing.

We do a mixture of all of these different periods, architecture in the sense that the spaces look like they've evolved but you know they haven't and everything is custom designed. All the new pieces are mainly custom designed, but you have a 19th century chair with an African stool. It takes a particular certification to understand that.

When they see an editorial, I think people that it appeals to, holds on to that and when they're ready to do it, they come to you, because you speak their language. That is how I've built up the business.

Gail: It seems as if you naturally have the look and style that the magazines were looking for.

➤ **Was that what helped you to achieve celebrity status?**

Vicente: In the late '70s and middle '80s, so many designers died because of Aids. That eliminated a whole level of competition. That is survival for being around 37 years and I think if you can survive for 37 years you get some sort of badge of courage.

I don't think that what has made it survive is the sense of always trying to evolve and somehow, I don't know how, because it was an unconscious thing, I travel two and a half months out of the year to very exotic places.

In December I'm going to Mali to travel up the Niger River and go to Timbuktu, places where the comfort level is not our usual comfort level. I think doing things like that has opened my vision to different points of view which has altered the work.

I think as long as your work keeps evolving and you don't get caught in a sloth, it still looks fresh. I think so many designers that have one look and that is the look and they stick to it, it's like you stomp it into the ground.

If you look at fashion, actors, or theatre people, they are the ones that keep evolving, keep reinterpreting their point of view and keep assimilating what is around them while still maintaining their identity. They are the ones that survive because they're current.

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I think there is nothing worse than looking at something and saying, that reads so whatever the period, 80s, 70's, 60s. That is something that I have always tried to, not consciously, but always avoided after the last 27 years. The work is a mixture that you can't fit it into any particular time.

It may not look like the ego of the day, like a few years ago everything was very John Michel Franc with dark stained wood and all the furniture looked alike, it was on the cover of every magazine and the New York Times. The French designer that came up with it publicized it and it was everywhere. Then it appeared in Crate Barrel and then it was gone.

It's not a look of what we do that is right here, this is the look because each time it's slightly different. It can't be reproduced by everybody, because it's about how you mix it. I think that has kept it rolling along.

Gail: Your work is very elegant in that nothing jumps out and makes you say that it's over done. I love that about your style.

Let's talk about the business side and thank you for sharing all of that about your philosophy because I think that helps everyone understand that you do have your own thought process and the way you go about doing your design. You are still constantly working to evolve your style and your aesthetic.

Vicente: Let me tell you, being a professional and a good businessman is as or maybe even more responsible for my success than just the creativity. I'm glad I was told what the topic was because I think yes, everybody can talk pretty but if you can't sell it, or run a business in a professional way, it's never going to succeed.

Gail: My first question is talking about what you say the most difficult part of the business which also has to do with the client relationship and the fee. I want to take you through a process.

We're doing a series on value based fees for our members. I'd like to get a feel for how you qualify your clients in terms of making sure they are people you can work with. I'm sure you don't take everybody.

Vicente: These days, I think we all do things we haven't done for a while. Water seeks its own level and yes, you can always be fooled. They can come in and look like Snow White and they turn into the Wicked Witch, but I find that most of the time, if you're very clear in how you choose to work, the dos and don'ts about how you run a business, if they're not going to like that, they're not going to stay.

They leave not because they're rejecting you, but because they know, oh, this is not how I like to play. Being very clear from the beginning how you charge, how

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you work, what your boundaries are, the responsibilities of you and of the client is so important in how you present.

If you sent that forward, I know it's scary because you're going to think what if they don't like that? Maybe they won't hire me? You must cover yourself in how you want to work. If you don't, you're going to pay the price. It will cost you financially and emotionally.

Gail: When you start off with a client...

- **How do you explain how you work?**
- **Do you work with a design fee and a mark up?**

Vicente: I always have the first meeting in my office. It's important not to be in their home. It's better to have them in your turf than you putting yourself in their turf.

They come in, I show them the book and all the publicity. I show them how we present, because when we present, once we choose to work with a client we go through a questionnaire of their likes and dislikes, room by room in the way of color, texture and all of that, which is sent back to them in a memo form.

The space is measured, photographed, drafted, we do the plan, we design the furniture, fabric and colors and when it's all designed it all gets estimated. At the time of presentation we present renderings of the place with fabrics and textures. At the end of the presentation, estimate sheets tell them exactly what everything costs.

We don't do choices. We don't show it to them four different ways. We present one concept. That is explained to them when they come in for the initial meeting.

We'll show them the rendering and then show them in a magazine how that room ended up so they can see that what we're presenting is very clear. If it's something they don't like we ask them why and then alter that.

I don't believe in taking them into the market saying I love this sofa, that chair or let's look at fabrics, because then it's the client who's deciding the job. You're not being a creating person or conceptual; you're just being a provider. I don't think that is the fun part. The fun part is to have your imagination create an environment.

We explain all of that and then we tell them how we work financially. Major areas, living room, dining room, master bedroom, we charge \$2500 for the renderings of those particular rooms. If you want a rendering of your living room, that will be \$2500 and that goes with the estimating of the room.

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We charge a retainer which is 10% of the budget which is returned to them by check or applying to an invoice of the total budget. If it's \$300,000, it's a \$30,000 retainer. Sometimes you play with it. Maybe instead of \$30,000 you may get \$20,000, because you feel that will cover you in case they walk away.

Then we charge 35% commission of the net cost of the project. If it's \$100,000, it ends up being \$135,000. If we're doing architectural changes to a space, there are two ways we work.

If we are supervising and hire the contractor and take care of all of that we charge 25% commission on construction costs. If they have their own people, for instance, they have their architect building the house and just want us to review all the drawings, specify the plans, bathrooms, kitchens, make whatever architectural changes then we come up with a flat fee for that.

The flat fee is 50% at the commencement of the project and then the balance gets split up until the completion of the construction aspect.

We are proforma which means you pay for it in full before you get it. At the commencement of the job we charge 50% of long lead items, it's 50% commission and 50% of the cost of the item. Fabrics, antiques are invoiced in full.

Our jobs usually take between 13 - 20 weeks depending on how much construction. We install jobs in full. When the space construction is done it's painted, carpets go down, window treatments go in and we ask the clients to leave that day. All the furniture and everything gets delivered. It stays wrapped and then the next day we tell them to get lost again and the whole place gets put together.

We bring in accessories on consignment and when they walk in, and it may take more than one day depending on the size of the space, but at the end of the installation when they walk in there are candles burning, flowers in the vase, it is a recreation of the renderings they saw originally.

The advantage of doing this is, you bring the accessories on consignment, but if you send them in a table and that's all there is in the room they're going to inspect that table up and down and upside down. If they're seeing the total environment, that is what they're judging, not the one thing that came in that they're going to focus on. It's too big or too small, is it right or wrong then see the total room.

Shipping and trucking and all of that is paid directly by them. That's it.

Gail: Regarding your flat fees...

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- **When you're working on this architectural fee, how do you figure your flat fees?**

Vicente: That depends on how much work you have to do. Some people charge by the square foot. We go by the experience of doing other jobs and the amount of time that it will take because it's not just drawing, it's supervising the job, going to the job site, answering the phone, doing the drawings.

You must figure that it's a between six months and a year's time, depending on the scale of the project, of input of energy. It's a hard thing. You can say to do all the architectural specifications it's going to be \$100,000. What? For what? You're just telling me what to put in the bathroom.

Furniture, they understand. The other, you know what it's going to take but they don't understand what it takes.

We usually err on less rather than more because we know the reaction that the client will have. Half way through it, they start to understand. When you're choosing every paint color you're going up to the house three times to approve the color of the exterior. This one doesn't work, can we get another faucet, elevations of the bathroom.

Looking 40 times at the finishes of the floor, doing spec sheets on all the paint colors.

You get paid less and it takes more energy than doing the decorative part of the job, but to me it's the most exciting part. I love being given plans and whether the architects have done moldings around the doors, this and the other, cleaning it up, redesigning layouts and spaces, doing the electrical plan and nailing every detail.

I think a room may be judged by the furniture but the emotion comes from the architecture. The way those backgrounds look is putting you in a frame of mind. If it's all clean and fresh, those balanced backgrounds are going to give you a sense of tranquility and balance, not a chair or sofa. That is going to give you visual candy, but the other is the more heavy, spiritual, your core sense.

Gail: You run into the same problems that everyone else does.

- **Certainly, that reaction when you give somebody that large fixed fee, how do you deal with that when they think it's outrageous?**

Vicente: It's always amazing when I lecture because those people sitting out there think look, this guy, he probably has clients that say here is \$20 million. Call me when it's ready. There is no \$20 million.

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All clients try to bargain your fees down and not pay for things. I've had clients who gave me a budget of \$500,000. I designed it for \$450,000 thinking I'm coming in under the budget and they've bargained, pitched and squeezed it down to \$300,000, fighting for every item.

When you don't do gussy work, every item in the spaces I do serves a purpose in creating the overall look of the space. If you have 50 pieces of furniture and take out three, it's not going to matter.

If you have seven pieces of furniture and take out three, that room is going to lose part of its vocabulary. It's the fight of why should I pay for this, or pay for trucking. Shouldn't you take care of that? No. It can stay at the upholsterer, but if you want it in your home you must pay to get it there. If you send a letter you must put a stamp on it, right?

It's trying to be very logical of explaining in a non-emotional way but with a sense of logic. To explain it from the creative point of view, if they had that vocabulary, they'd be doing it themselves. It's important to present whatever point that you want to present and always in an intellectual way.

By that I mean, the reason that this chair is square is because it's sitting on a round rug and you wouldn't want a round on top of the round because you want to create a sense of ying and yang in the space. You want to balance things out, not equally, but balanced still.

By explaining it that way, or saying I love the square on the round rug and it's just what should be, well, if they say no, not for me, I want round on round, you've lost your battle. If you explain it to them so they understand it in an intelligent way, it gives them a handle on why it is being done.

That is usually my approach. It's one of explaining the amount of time and energy it takes to create drawings, having them come into the office, showing them a set from another client.

I think we're in a horrible position. Yes, we have the possibility of creative control, but that's the only control we have. They have the money, it's their house and finally it's what they say. You can fight it and fight it, but if they say no, you have no recourse except walking out.

Gail: It's an education process. It sounds as if you're doing quite a bit up front when you're working with them to explain what the investment of time is from your perspective to create that resolve.

Vicente: I would say 70% is up front. All the design and education is up front because we bill and present everything at once. I'm not going to show them a plan and two

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weeks later show them a sofa. I'm showing them the plan, sofa, fabrics, pillows, the whole thing because I think that is the best way to present the job. If you do it piece by piece each time that you meet, it's a battle.

Gail: That's a good point. It's a different perspective than some design schools teach. Let me ask you a question. You talked about the retainer being 10% of the project.

➤ **Is that your design fee?**

➤ **Is that what you'd consider a fixed fee that you present to them?**

Vicente: No, because I return it.

Gail: I see.

➤ **When you're doing this are you doing a flat fee for the whole project?**

Vicente: No. I charge 35% commission.

Gail: I see. There is no retainer up front. You actually start the design work without any retainer.

Vicente: No, the retainer which is 10%, I get and hold. When the job is finished, I return it. What you're saying a design fee is, if you want to work with Vicente Wolf Associates on your job, you must give me \$50,000 plus my commission and my this, that and the other.

You're charging for the privilege of working because you're still going to pay commission after that, if it was in my case. I don't know. I'm probably behind the times. I charge probably less than I should.

Maybe I'm chicken to say you have a budget of \$500,000. I'm going to charge you 35% of the \$500,000 which is \$175,000 in commission and then above that I want another \$20,000 in fees, just for me to do my work. Then, what am I paying you the \$175,000 for?

Gail: Some clients feel and have questioned in many cases, double dipping where you're charging for hourly fees or some sort of a design fee plus a mark up.

Vicente: It depends on how much money you're making on the job. That is what you must look at. Yes, some people charge retail and hour fees. My non-proven sense is that at the end it all sort of works out the same. A 35% commission on \$500,000 is \$175,000. I'm happy.

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Gail: As long as you're happy and the client is happy, that's probably the point.

Vicente: If you're only doing a budget of \$20,000, \$7,000 is certainly not doing you so then you need to charge something else to make it worth your time. A job is going to take at least five months from start to end, \$7,000 is one nice outfit, a good dinner and then it's gone. Well, not these days, maybe three outfits and two dinners.

It depends on what your overhead is and what your needs are, how many jobs you're handling. What is the bottom line at the end of the year and is that sufficient to give you what you want?

Gail: It sounds as if you're somewhat flexible depending on what your revenue stream is how many clients you have in house and maybe the types of work you're doing.

Vicente: Flexible in what way?

Gail: Maybe in how you're billing your clients.

Vicente: No, it's always 35% commission. This is not Delancey Street I don't bargain my fee. That is what I charge and if you don't like it you walk. I say it slightly nicer than that.

Do you want me to charge you 50% and I'll reduce it down to 40%? I can do that. But 35% is a very fair amount.

Let's say that if the design fee for doing all of the architectural was \$50,000, I may say, why don't we make it \$47,000 or \$46,000. Does that make it more palatable for you? I can be a little more flexible but on my fees? No.

I think the designer that does that is shooting themselves on the foot. They don't do that when they buy their Mercedes or when they go to a good restaurant or walk into Prada or go to their lawyer or dentist. Why am I going to alter what it takes for me to run my business financially just to please you? That's off the wall.

Gail: You have a business to run and bills to pay.

Vicente: Hey, that's what it takes. Do you want into Bloomingdales and say I love that jacket. It's \$100. How about \$50? No, it's \$100. The ticket says \$100 and that's what you pay. If you don't want to pay it then you go someplace else and maybe you'll find it there for \$50.

Do you do that in a restaurant? The steak is \$10. How about \$7?

Gail: No, that's not going to happen.

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Vicente: I think that is one of the problems in our industry. That sense or lack of professionalism that a lot of designers have about what they feel their worth and what they feel is coming to them. It's bad enough that they screw themselves, but the worst part is that they screw everybody because it builds that sense in the public that you can bargain them down. They'll cave in. If you don't run it like a business you will not be dealt with professionally.

Gail: **Have you seen the buying habits of your clients change over the last few years?**

Vicente: Though I have friends who have clients who have not changed their buying habits, my work is sort of conservative, in not looking, but in point of view. You get conservative people who want to live in a modern way and those conservative people are conservative.

They're cautious. Yes. We hear more of, business is slow. Why don't you ask if they can reduce that? Offer them this, times are tough, they'll take it at a lower price. I think that is nasty. It's saying they're suffering so now is the time to squeeze them.

If you have it, you have to be thankful and spread it around. Yes. I find now people take longer to make a decision. It takes a lot of energy to make them commit. The budgets are smaller. Their sense of impropriety at spending money in designing their homes is enormous.

"My God, what if my friends see that I'm redoing my house? Bernie Madoff burnt them for millions. If they walk into my house and I say I'm redoing it, are they going to feel bad?"

Gail: **How do you deal with that?**

Vicente: I tell that that if they don't spend their money, how is our economy going to change? What are you going to do? You're absolutely right. You shouldn't spend your money. We're all afraid. If you have money in the bank or not, we're all afraid.

I'm afraid no one is going to call and hire me and I have ten people working for me. How am I going to pay their salaries? The person who's unemployed that if they don't find a job soon how will they pay their mortgage? The person with \$50 million dollars has lost \$10 million dollars. What about my children and whatever it is they leave to the kids?

It's unsure times. That even affects the sort of design. We're not breaking any ground in design and haven't in the past 10-12 years because it's not a time for

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mind expansion. It's a time for reclassification of thinking, staying close to the bone, close to the home and being very cautious.

How do you find it?

Gail: I think that's true. I think a lot of our designers in our membership have experienced the same thing. Thankfully, for many of them, the business is starting to come back. I do believe the values of the clients have changed dramatically.

Vicente: That's a good thing though.

Gail: Yes, because it's not that crazy spending on things that aren't reasonable or buying something just because they can buy it.

Vicente: Yes, but let me ask you, isn't it nice when they do?

Gail: It is fun.

Vicente: It's like eating chocolate. It tastes so good but you know you're going to get fat from it. I'm glad it's for them.

For it hasn't. It's changing. I have a core of clients that are doing small things, redoing a room and some new clients, but I know there are some big name offices in New York that are letting go 75% of their staff. I don't try to think about it.

I have one advantage. I've been around for 37 years. I've been through this three times and unless you drop dead, you know it's going to change. How soon? Who knows?

I am lucky that I've been around long enough to have built a little bit of a kitty that allows me to wait it out. I think it's very hard for people who have been in business for the last five years that were making a killing and now it's dying because you don't have the experience that says this is going to change. I know it.

It may not be tomorrow but it may be in March of next year. It's not going to come back fast, but for the betterment of our country it better come back slowly. To me it's amazing because you hear on the radio or news people saying this president is no good because it hasn't changed.

How can it change when we were in the hole so deep in nine months? Yes you can change it in a fake way, but you need to change your point of view. We can't be borrowing or buying over our head, living beyond our means. If we keep doing that we will go back again to where we are.

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If you think of the 50s and 60s when things were good, people were still within their means. Anyway.

Gail: Let me ask you a couple more questions.

- **What is your advice to our listener's, as most of the people on the call today are more seasoned designers?**
- **What would you say to them in general about the business itself, fees and working with clients?**
- **What are some of the biggest things you've learned that you would want to share with them?**

Vicente: I think if you don't have a contract you should be shot. There are a lot of people who are professional and not very good designers and are successful compared to very talented people who are not good in business who have failed.

If you realize that being professional and respectful of who you are and what you bring to the table, and not just say it but understand it, if you don't do that you will never hit a good stride. You'll always want to please.

I want to please, but that's not my job, to make somebody happy. My job is to design, to create and to do the best possible that I do. It's not about you like me don't you? Didn't I do a good job? Tell me, tell me.

I have to know whether he or she vomits when they see it. Then I know I've done a good job. I know I don't do ugly jobs so I have the sense of security of what I do and I think that is important.

I don't think people should play with their fees. I don't understand designers that take people shopping and let's do it as we go because it will never be a cohesive environment. It will always be what I saw and jumped out at me the most and how did I fit it all together.

Where is your vision of an environment and how you present that environment? Each time you do that you let go of your control of the finished product. To me, it's highly important.

I would never install a job partially. I would never, not work in a proforma way because once they get it that paying you goes to the end of the list. I would never let clients pay directly to the supplier because if they do that, they screw you or again you go to the end of the list.

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There are a lot of designers that ask if they want it traditional, modern, this or that. I've stuck to what I believe in. It may not have got me an enormous quantity of clients but it has given me the success of a point of view. That is something that any designer has to understand and face.

If you do what you want to do and stick to that you'll have a smaller window, but you will have more fun in what you do because you're doing what you love, not just doing it medium, well done, or raw. You're speaking about your soul and what your soul believes in.

It can't believe that it all looks 100% well. There must be something that you do better than something else. If you stick to that you have a better chance of a bigger success.

They should all go into the VW Home showroom. Their lives would be better, their marriages, sex will be the best they've ever had. That's just the tip of the iceberg if they shop at VW Home.

Gail: Those are great pieces of advice and will be helpful to everyone. I know that what you're saying is true. You must know how to run your business. It's so critical.

There are many designers who may not be the best designers, but if they're good at running their business they'll be here for a long period of time, certainly longer even more than some of the most creative people.

Vicente: That consumer that's hiring, they're business people and they're not going to understand about the creativity until it's all finished but they will surely understand if you're being a professional. That will relax them in allowing you to do what it is that you feel is the right thing to do.

They'll understand if you're billing, if you're contracts are all done in a clear, straightforward and professional way.

One last thing. I think too many designers do it all. They do the billing, shopping, the PO's, this and that. Sometimes I think if you take a little plan and put it in a pot, it's never going to grow. If you take that same plan and put it in a much bigger pot, there is a chance for it to grow.

Because I have all of my shortcomings, I've always had people that could spell and type and draft. I draft but not as well as it should be. I think a lot of people try to do it all. It's a major mistake.

It's better to make a little less money and pay for somebody to answer the phone, do the billing and do the books. Harry Siegal, a big accountant years ago said "No designer makes money by staying in their office. They make money when they go

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outside of their office because they find things, see clients, they're generating business."

If you can wrap your head around the idea of hiring somebody part time to do some of things that you may not be doing as well as you should, it's going to improve your business.

Gail: Your job is the designer if you're the principle is to bring in the business. That's your number one objective, to bring in clients and make sure the jobs are being taken care of, things are being billed and all of those things.

Vicente: If you're doing that all yourself, how well can you be doing it all?

Gail: You can't you're right.

Vicente: I have a website. If any of your designers have any questions, you can put the question on the website and I'll answer it for them. We answer questions. I have a pink cell phone. What color should I paint the walls? How should I know? It humanizes the connection of somebody to a consumer.

With designers, to me it's always a pleasure to be able to offer whatever I have to offer to them.

Gail: It's fabulous. I appreciate all this time in the interview and I'm wondering if you have time for a few questions?

Vicente: Yes, definitely.

Gail: We have several so we'll see how far we can go. Here's one from Robin in Rochester who asks...

✓ **If you don't get the 35% until after the presentation is done, what happens if the clients decide not to go ahead with the project?**

Vicente: I did the 10% which, if they don't proceed, you keep.

Gail: I see. That covers that and all of your drafting and rendering.

Vicente: It does and it never does, but it's an incentive to the client. They know that money is on the line so when they commit they know they're committing. It's only happened in all the years maybe four times that they haven't proceeded because of how I present, in a very complete way so they feel confident.

Gail: It makes a big difference when you're not seeing pieces and parts, but the whole idea and concept in front. Eileen asks...

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- ✓ **If you're figuring the architectural portion is around 10-15%, do you include the construction documents as part of that fee?**

Vicente: No, when their architect is at work here, it must be done usually by an architect of records or the filing is done by expeditors. The client pays them directly. All we are providing is elevations, drawings and specifications. We do a book.

This bathroom gets this toilet. Here is the picture, here is the faucet, the towel bars and the electrical plans and things like that.

Gail: That is billed as a separate part of your business.

Vicente: Right, not by me. The filing and all of that gets billed directly from the people who do the filing to the client. I'm not charging commission so why do the paperwork?

Gail: I agree. We don't want that headache and it's not worth it if you're not getting paid for it.

Star asks...

- ✓ **How did you decide to grow your staff over the years?**
- **I think I would like to add to the question, where did you start?**
- **What position did you hire first and where did you go from there?**

Vicente: I can't spell, type and I'm not good at anything like that so that was the first thing. Somebody to do the billing, posting and all of that. I can't wrap myself around that.

When I went on my own in 1988, the first person I hired was somebody to answer the phone, do the contracts and all of that. The second person that I hired was somebody who worked at the old company and she came to work for me.

Then it was mainly creative people, because when a client comes to us they get assigned an associate who I work with on the individual job. Each assoc has three or four clients. I design it and they check all the POs, do the drafting, get the estimates, and things like that.

The first was clerical, next was assistant and then receptionist. I have somebody who works for me full time doing PR. To me it would be clerical, someone to run the paperwork of the business.

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Gail: Absolutely because there is no reason to spend your time doing that, even in a small business because you should be out looking for work.

Vicente: Or, sitting there sipping iced tea but doing that is horrible.

Gail: You said you have 10 people on your staff now.

Vicente: Yes.

Gail: Of that staff...

➤ **How many are your creatives that are running the job?**

Vicente: Out of ten; eight.

Gail: It's a fairly good sized staff for that.

Vicente: What is the typical minimum size job for you?

Gail: A living room is about \$135,000, \$120,000 or \$110,000, so I would say it goes from a \$250,000 average to \$600,000, not including commission.

Gail: That's just cost.

Vicente: Yes. The millions are far in between but they come. You fall on your knees and you kiss the ground, burn a candle.

Gail: Exactly.

➤ **How many jobs do you typically handle?**

Vicente: As many as I can, because of how I work. I design everything at once. Once it's designed, estimated and presented all I have to do is keep popping my head in, going to the job site, looking at it because everything has been done. The job is finished in a way.

The clerical people do the PO's, invoices, all of that. The assistant is doing the follow up, getting the samples of things to be approved, showing them to me, going to the upholsterer, checking, going to job site, looking at it, but you can do that for 15 jobs because they're not all in the same place.

Gail: **How do you deal with the emotions or frustrations that come from the clients always wanting to bargain, cut down the fees, and especially not appreciating the artistry of your work?**

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➤ **How do you not get frustrated, fed up with that nonsense?**

Vicente: I go to a shrink twice a week and a high percentage of that is talking about those same things. You must understand, which I don't fully. It's like the tide. It's comes in and goes out.

You can't be answerable for people's emotions. If somebody is a pig it has nothing to do with you. That's why I have to feel that I've always done the best possible job.

Some people are never happy. There are some people that are happy only when they are unhappy. All you can do is do the best possible job. Be the most professional that you can. Try to give 110%.

Besides that, you can't, because then you're being God. Now you're altering somebody's emotional standards. I've been in situations with a client who sits through a presentation and says, let me just warn you that whatever he likes I'm going to hate because we're having a fight. How are you going to change that?

That they don't appreciate your creativity, what you're doing is letting go of your power. You must understand your worth. If your worth depends on somebody else telling you what your worth is, each time you're starting from point zero.

Understand what your talent is. Yes, it's frustrating and God knows it presses buttons of insecurities and all of that, but in the final analysis, you must understand you cannot change these people. They are who they are. All you can do is once you understand what the script is of who they are, is nurture and care for yourself.

Be the voice that tells you that you've done a great job. Isn't this wonderful? Those are the strongest words coming from the strongest possible person that you can hear. It is you. In this case, you are the most important person, because you have to be happy with who you are and what you do.

Maybe this person's parents never gave them a pat on the back, so maybe they don't understand the sense of complement. It's a foreign thing for them. Now you're balancing and supporting who you are by what this person says who will never say it.

How many marriages exist where the other person can never say, "I love you?" You're letting go of your strength by depending on somebody else to pat you on your back. You need to pat yourself on the back because if you've done a great job, made it look beautiful, put your whole heart into it and have given them what they want, it 's you who knows it.

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They may not, but if you know it, it's your responsible to take care of yourself.

Gail: I agree with that. I know that on every single project, it was usually right at the end when you got the most excited response from the client. The rest of the time is just dealing with whatever comes up as the job goes along which tends to be stressful. You must be willing to not look for those pats on the back from someone else.

Vicente: It's wonderful when they say it looks beautiful. You have a cohesive vision of what's happening, but most people don't.

I've had jobs where the painter is painting, so to me, it's over. They say, I still can't see what it looks like. All the walls are up, the moldings are up, the doors are flush, the whole thing, the detail is all there and it's just paint now but they still – thank God they're blind because we are the seeing eye dogs and that's how we pay the rent.

How many people out there, and we're all creators and all earn our living this way, but how many people out there can really visualize something? Can they close their eyes and see that room finished completely? If a lot of us don't, imagine the client. This is not what they do for a living.

Gail: That's a great answer. There is a mention of a \$2500 fee to do major areas and I think you were talking about the rendering.

Vicente: That's the cost of the rendering.

Gail: Is that in addition to the 10% of the commission and you were saying 10% is the retainer that you collect. Right.

Vicente: I hope this person takes notes when they're talking to a client. It's 10% retainer, \$2500 per major room for the rendering and 35% commission for our fees.

Gail: **Does that cover your staff salaries?**

Vicente: Yes. If you have only one job and you have 10 people, no it's not. If that person is handling three jobs like that, that is \$600,000 and certainly covers. It's the volume to your expense.

Gail: Here is a question from Dory in Lakewood who wants to know...

- ✓ **How long are you initial presentations since they're all encompassing?**

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- ✓ **Do they last five to six hours for three plus rooms and don't the clients fatigue?**

Vicente: They are usually around two or three hours. We've presented houses with 12 rooms that has taken three quarters of the day but we're very organized in how we're doing it.

For all of you, when you're presenting a job, give the client a pad and pen and say to them. Here is a pad and pencil. I'm going to do the presentation. Write down all your questions. At the end of the presentation, I will answer those questions.

The first time you're talking and they're interrupting, just say write it down. I have problems with my short term memory and I'll forget where I was going. If you do that, nine out of ten you're going to answer their question by the time it's finished.

If they keep asking questions while you're presenting they're more interested in coming up with the questions than they are to listening to what you have to say.

Gail: Interesting.

Vicente: That has worked very well for me.

Gail: I'm sure you have a few more of those tips too.

Vicente: No. I learned that a long time ago. The longer you can keep them shut up or quiet, the better it is. Afterward are they tired? Yes, and so am I but it's exhilarating. They get confused because there is so much to absorb.

At the end of the presentation we give them a book with copies of the renderings, all the samples of fabric and all the estimate sheets. They go back and look at the renderings, the fabrics and read the estimates so that recaps it.

As I'm presenting, mid way I'll recap all the fabrics again and again at the end as well. The sofa is this, this and this. You want them to have an impression of the room because that is the best way to sell the room, for them to see the total concept. It's not about the individual parts.

Gail: Great.

- ✓ **Shannon asks about the general timeframe between your initial meeting, presenting the finished rendering, estimate and your whole presentation.**

Vicente: A month.

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Gail: Great. Very efficient.

- **When you are at the beginning conversation prospects before they become a client, do you give them an overall guess or budget that they could expect to pay for the project at that time?**

Vicente: I show them the publicity book. I can't tell you how much money you should spend. It can be done so many different ways, but as you go through my publicity book, if there is a room you like, I can tell you how much that room costs.

That will give you an idea but for me to say you should spend \$500,000 or \$300,000 then you must tell me how much money you have so I can figure out how much you should be spending. There is no set way or one single formula for a room.

Gail: That is a good answer because there isn't and everyone has different budgets.

Vicente: They'll know how much they want to spend. Anyone who says they don't know, I don't buy it. They want to spend \$100,000 and they think you're going to say \$40,000. When you say \$190,000 they freak out because they always think they're going to hear less. They don't want to tell you \$100,000 because then you'll say it will be \$100,000.

If you say you pick this room and you like it, I can tell you how much that room costs, that's as much as I can do.

Gail: That's the guide line and they'll know from there.

Vicente: Yes, oh, the rug was \$125,000. Well, I don't want to spend \$125,000 on the rug. Sometimes I'll say, do you want to spend \$10 million? That's ridiculous. Are you willing to spend \$1,000? Oh yes. I know it's going to cost more than that. Well, I'm giving you a range. That's my snarky side.

You and I know, if you want into buy a piece of clothing you know what your range is. You're not going to spend \$20,000 on an evening dress because you can't.

Gail: That's a great answer. This is from Annette.

- **Does the 35% cover the architectural portion?**

For example, custom built in cabinetry, design of the ceiling molding, etc, or is there an additional fee?

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Vicente: It depends. If the cabinetry is part of the decoration of the room and you're having your cabinet maker make it, that falls under the 355 commission. If you're redoing the whole house, doing the moldings, the kitchen and the client has all of these suppliers doing all of this, then you take a flat fee or you charge a percentage. It depends on how much involvement you're going to have.

Gail: You mentioned that you could go with a cost per square foot for that fixed fee.

➤ **Do you do it as a general estimate yourself or do you have your architect do it?**

Vicente: I've never figured it out. A friend of mine is working in the Middle East and we were having a discussion. He was trying to come up with a fee. Somebody's big design firm in New York who works in very grandiose spaces said to figure out 20% of the cost of the house and then do half of that.

If the house is \$10 million, 20% is \$200,000 so 10% would be \$100,000 on a \$10 million dollar house to specify the whole thing. You can work it down. Does that make any sense?

Gail: I was going through my head with calculations. It's 10% if it's a \$20 million house, it would be \$2 million dollars for the fee.

Vicente: Right. Ten percent of a \$20 million dollar house would be ...

Gail: Two million.

Vicente: That's a nice fee.

Gail: That is a nice fee.

Vicente: If anybody out there has one of those and you're too busy, we'll split it. I'll give you 50%. If the house is 10,000 square feet and I charge \$10 that is how much?

Gail: That would be \$100,000.

Vicente: So we know that nine out of ten, that would be too much. You have to figure out how much it's going to be, how much time it's going to take, how much involvement, figure if it's from the ground up it's going to be at least a year to a year and a half. See if this is going to cover all of your expenses and make a profit.

If you're doing the decorative, it's going to be so much and you'll make this much over there, plus this. Is that a good amount of money to make on it. It's not an intelligent answer I'm giving you because most of the time a fee is instinctual and comparing that job to other jobs that you've done.

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Gail: I think today with the economy being what it is, people are reacting differently to fees as well.

Vicente: Then do it yourself.

Gail: Exactly. They can go to Home Depot.

Vicente: I've just had a big thing with a client. Four bathrooms, built ins, electrical, demolition, construction, paint, specifying everything and I said \$30,000. He's a doctor. Why? I said so I come into your office and I want you to give me a check up and consult and all of that. Are you charging them? Yes, but that's different.

Why? Because you're a doctor and I'm a designer? He said, no because you know, it's like, you know. He couldn't come up with an answer. It takes all that to do elevations, specifications, to check the project, approve it. It's going to take time.

Do you want to pay me a commission on it? You know that it's going to cost you to do the three baths and the whole thing, close to \$100,000. Do you want to pay me 35%?

Gail: And his response was?

Vicente: I'll have my wife do it. I said fine. When we presented the decorative he said, oh no. You do it. I said, okay. We sent him the bill and he asked what the bill was for. I said, didn't you say to do it: He said, yes, but I didn't think you were going to charge me. I said, we're back again to square one. Of course I'm going to charge you.

It's a matter of principle, energy and time. Just do the decorative and that's the easy part so it's still up in the air.

Gail: Goodness, you do have some of the same issues.

Vicente: Trust me, I'm just older, that's all.

Gail: You've been so generous with your time and I greatly appreciate it. I think we've come to the end of our questions. We thank you so much for being so honest and open with us about how you work and the generosity with other people in our industry is something that we greatly appreciate.

Vicente: We're all in the same boat together. If we don't help each other, who else is going to do it? The more we stick together the more we all will succeed.

Gail: I agree.

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- Would you like to share your website address so they can follow you on your blog?

Vicente: I don't know it. I don't touch computers. I think it's like wearing polyester. It does something to your genes or something like that. If you Google Vicente Wolf it will come up with VW Home, our website and the thing that shows the pictures of all the jobs and everything else.

Gail: Perfect. It's been a pleasure and thank you so much for your time today. It's been a delight.

Vicente: Have a great Thanksgiving. It's been fun. I love sharing with other designers.

Gail: It's been a pleasure. I remember seeing you a few years back when you were here in Denver. It was great to see you then and hear all of your insights and good ideas for everyone, so thank you so much.

Vicente: Thank you and have a nice weekend.

Gail: You as well.

Vicente: Good bye.

Gail: Good bye.